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# Seminar Aims At Foreign RV Market

Sizable new markets await American RV manufacturers and component suppliers patient enough to invest the time and money it takes to cultivate discriminating foreign buyers.

That's the message clearly broadcast to RV industry representatives at a June 26 export seminar. The Indiana Recreation Vehicle Industry Council (RVIC), which sponsored the seminar in cooperation with the Indiana Department of Commerce (IDOC), debuted a new detailed study of the foreign business prospects of Indiana companies, which account for about 40% of industry sales, and of the industry at large.

A panel of trade experts also was brought in for the Elkhart, Ind., seminar, which was held on the doorstep of the 35th Annual Midwest Manufactured Housing & RV Show, co-sponsored by RVIC and slated for Aug. 8-12 in South Bend, Ind. The South Bend Show has been newly dedicated as an international event.

The study, a manual full of foreign contacts and how-to advice was compiled by a research staff overseen by Kelly Trimble, IDOC international trade specialist. The study promotes the globalization of the RV industry in an era when market barriers are dropping, and leisure expenditures are growing in an array of developed and relatively affluent countries.

Similarly, all the seminar speakers reiterated a now-familiar theme: New markets will open up as a result of the 1992 unification of the European Common Market, the U.S. Canadian Free Trade Agree-

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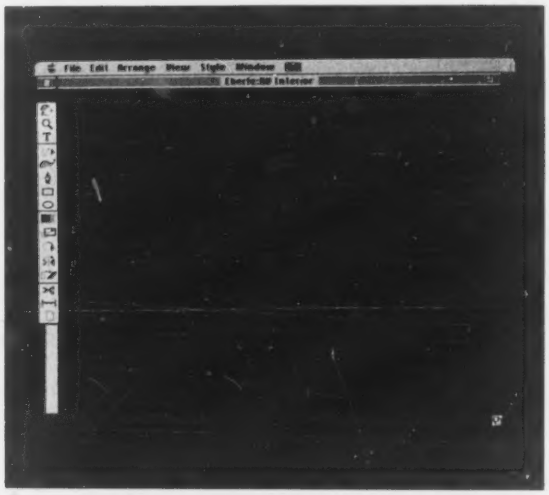

**PERSPECTIVE ON INTERIOR DESIGN:** An interior-design expert explains why long-term RV industry success requires going beyond the traditional interior-design approach. See page 18.

# Industry Reports Improved Retail Sales in Late Summer

Many RV dealers and manufacturers claimed by late summer to be witnessing a stabilization of retail sales, which would amount to good news for the RV industry since it won't be chalking up many new-unit sales records in 1989.

But no one was striking up the band for a rendition of "Happy Days Are Here Again," either. At presstime, the retail "uptick" did not seem to amount yet to a full-fledged "turnaround."

Still, consider these positive reports from a variety of manufacturers and dealers:

- Kelly Cummins, assistant vice president of sales for the Coachmen Recreational Vehicle Co., Middlebury, Ind., attended four retail shows in July. All of them, in his view, were successful. "Absolutely," said Cummins. "The general consensus among the dealers was that, since the Fourth of July, there had been a general uptick from the previous 90 days, when it was soft. If anything is soft, it's the large Class A's."
- Giant Weir RV & Marine, a Raynham, Mass., dealership, first saw a change in the wind in early July. Much of the recent demand, according to General Sales Manager Art Laclair, is for quality used equipment. But, new or used, it's all the same for Laclair and crew as long as they are selling and garnering decent profit margins. That's why Giant Weir has started advertising a used-vehicle brokerage program to build up inventories.
- Joe Ganahl, marketing manager for Teton Homes, a Mill, Wyo., towable manufacturer that introduced its 1990 equipment in mid-July, has "very definitely" seen an improvement in demand, too. Ganahl said, "We're about six weeks out on production right now. In June, it was more like four weeks."

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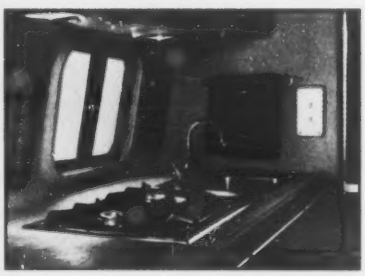

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*Keeping in touch with consumers has become essential to success in today's RV industry. Major RV manufacturers discuss how they survey the marketplace to stay abreast of consumer product demands and trends.*

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# SLOWDOWN CONTINUES IN JUNE

GAYLORD MAXWELL

June saw a continuation of the downtrend that has been quite evident for several months. Well over half of RVB's Dealer Advisory Board (DAB) members were off last year's pace—some drastically. But, on the bright side, 40% of the DAB dealers were up. One large member-dealership with more than 25 years of experience under its belt reported "the best month ever." It's apparent that the picture wasn't clearly black or white.

In terms of dollars taken in, the DAB was down slightly (4%) for the month. Fourteen dealers slipped; nine went up. New units were off 13%; used units were less than half of that. Four of the five RV types were off last year's pace in new units (only fifth-wheels stayed in the plus column). The picture was somewhat brighter in used—three categories were up.

In terms of profits, things weren't all that bad. Although they definitely had weakened, grosses on new units were reported as being generally fair to good. Used grosses were rated generally good. As might be expected at this time of year, the service-and-accessory business was generally good to excellent. Bottom lines were rated generally fair to good. A few members rated them excellent, while two said that they were poor.

Year-to-date, considering that last year was quite a good year, the dollar picture wasn't bad—down only 1% from '88. Individually, 13 DAB members had taken in fewer dollars than they did last year, and 10 were up. Generally, the big guys were doing the best. Of the largest six on the DAB, five were up. In terms of units, camping trailers and fifth-wheels were still up in the new-unit columns (the former barely). And, in used units, only motorhomes were barely hanging in the plus column (by 1%).

New inventories were running around average for this time of the year, reported most DAB members. Used units were somewhat scarce, with ratings between low and average.

### Motorhomes

Motorhome dealers weren't having an easy time of it. For various reasons, primarily gas prices and interest rates coupled with sticker shock, buyers were skittish and tough. As always is the case during hard times, some dealers settled for very small grosses. Smart buyers knew that, and they were driving hard bargains; smart dealers knew they couldn't stay in business on skinny deals and turned them down.

Eleven of the 18 DAB members who sell motorhomes were down in new-unit sales for the month. The big guys were about evenly divided between ups and downs, but the smaller dealerships fared less well. Grosses were rated generally fair to good. Used sales were the best of all types for the month—up 1%!

Year-to-date, new-unit sales ran 8% behind, while used units were one point ahead. That probably will be the picture for the second half.

### Travel Trailers

After a slight spurt into the plus column last month for our DAB members who sell this RV type, sales of new units skidded in June a substantial 20%. Thirteen of our members were down; five were up, while one was the same as last June. One old-time, very successful dealer reported that he hadn't sold a new trailer for 45 days! Used sales were somewhat better—about the same as last year.

Year-to-date, the picture was somewhat brighter. Both new and used sales were off for the year, but not too badly.

Profits were rated mostly fair for the month, although five reported they were good, and three considered them to be excellent.

Small-trailer sales went well with young people; the problem seemed to be prices and tow rigs. It could also very well be that sales of large units to snowbirds suffered because of their prices in relation to alternatives—park models and mobile homes. Both of these influences could become more apparent in the future.

### Truck Campers

The sale of one more new unit by one of our DAB members would have made a tie with last June. Business definitely picked

*continued on page 53*

| | NEW UNITS | | | | | | USED UNITS | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FOR MONTH | | | YEAR-TO-DATE | | | FOR MONTH | | | YEAR-TO-DATE | | |
| | JUNE 1989 | JUNE 1988 | % CHANGE | 1989 | 1988 | % CHANGE | JUNE 1989 | JUNE 1988 | % CHANGE | 1989 | 1988 | % CHANGE |
| MOTORHOMES | 162 | 200 | −19 | 902 | 980 | − 8 | 162 | 160 | + 1 | 871 | 865 | + 1 |
| TRAVEL TRAILERS | 128 | 160 | −20 | 663 | 716 | − 7 | 125 | 124 | < +1 | 622 | 676 | − 8 |
| TRUCK CAMPERS | 32 | 33 | − 3 | 142 | 163 | −13 | 20 | 11 | +82 | 86 | 102 | −16 |
| CAMPING TRAILERS | 135 | 140 | − 4 | 690 | 672 | + 3 | 37 | 57 | −35 | 201 | 225 | −11 |
| FIFTH-WHEELS | 45 | 43 | + 5 | 250 | 223 | +12 | 19 | 30 | −37 | 125 | 134 | − 7 |

| | FOR MONTH | | | YEAR-TO-DATE | | |
|---|---|---|---|---|---|---|
| | JUNE 1989 | JUNE 1988 | % CHANGE | 1989 | 1988 | % CHANGE |
| SALES VOLUME | $15,808,979 | $16,498,084 | − 4 | $83,790,517 | $84,790,712 | −1 |
| TOTAL UNIT SALES | 865 | 961 | −10 | 4,677 | 4,751 | −2 |
| NEW-UNIT SALES | 502 | 576 | −13 | 2,647 | 2,748 | −4 |
| USED-UNIT SALES | 363 | 385 | − 6 | 2,030 | 2,003 | −1 |

The "DAB Perspective" is a compilation of data provided by *RV Business'* Dealer Advisory Board, a group comprised of 23 dealers representing a cross section of the U.S. dealer body.

**Gaylord Maxwell,** chairman; **Dave Altman,** Baldwin Park, Calif.; **Bob Azevedo,** Sunnyvale, Calif.; **Jack Cole,** Pacoima, Calif.; **Dick Dassen,** Victor, N.Y.; **Crosby Forrest,** Newport News, Va.; **Dan Gamel,** Fresno, Calif.; **Jerry Greer,** Columbus, Ohio; **Jerry Harrison,** Waco, Texas; **Dottie Helgeson,** Seattle, Wash.; **Johnny Ketelsen,** Marion, Iowa; **Newton Kindlund,** Orlando, Fla.; **Roger Kirschner,** Salem, Ore.; **Ozzie Lenhard,** Sayville, N.Y.; **Larry McClain,** Oklahoma City, Okla.; **Annette Autry-Miller,** Fayetteville, N.C.; **Jack Moran,** Warwick, R.I.; **Wayne Peay,** Albuquerque, N.M.; **Tom Schaeffer,** Shoemakersville, Pa.; **Mel Shipp,** Chattanooga, Tenn.; **Jack Sisemore,** Amarillo, Texas; **Bill Thomas,** Bridgeton, Mo.; **Randy Thompson,** Crystal Lake, Ill.; **Dave Washburn,** Lakewood, Colo.

This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.